

Message Text

LIMITED OFFICIAL USE

PAGE 01 COLOMB 00741 271508Z

44

ACTION NEA-10

INFO OCT-01 EB-07 ISO-00 SS-15 SP-02 INR-07 NEAE-00 L-03

/045 W

----- 039078

P 271210Z FEB 76

FM AMEMBASSY COLOMBO

TO SECSTATE WASHDC PRIORITY 4324

LIMITED OFFICIAL USE COLOMBO 741

STADIS//////////

FOR ACTING ASSISTANT SECRETARY SOBER FROM AMBASSADOR

E.O. 11652:N/A

TAGS: ECON/CE

SUBJECT: INITIAL PAYMENT REQUIREMENT OF PL 480 TITLE I
AGREEMENT

1. SINCE I WAS IN WASHINGTON LAST MONTH, A PROBLEM
HAS ARISEN RE OUR PL 480 TITLE I AGREEMENT ON WHICH
WE NEED YOUR URGENT HELP.

2. DENNIS KUX CAN GIVE YOU THE BACKGROUND BUT, IN A
NUTSHELL, THE PROBLEM RELATES TO THE TREASURY DEPARTMENT'S
NEW REQUIREMENT THIS YEAR FOR DOWN PAYMENT AS PART OF
THE TITLE I AGREEMENT. I AM STILL NOT CLEAR AS TO WHY
THE STATE DEPARTMENT APPARENTLY AGREED TO THIS REQUIREMENT
AT AN INTER-AGENCY MEETING LAST JULY AND WHY WE
LEARNED ABOUT IT ONLY WHEN IT SUDDENLY TURNED UP IN THE
NEGOTIATING INSTRUCTIONS. ALTHOUGH TREASURY INITIALLY
PRESSED FOR A FIVE PERCENT DOWN-PAYMENT, THIS APPARENTLY
HAS NOW BEEN SCALED DOWN TO 2.5 PERCENT. THIS MAY SEEM
LIKE SMALL PICKINGS TO SOME COUNTRIES BUT FOR SRI
LANKA AN UNEXPECTED REQUIREMENT FOR A HALF MILLION
DOLLAR DOWN PAYMENT IN FOREIGN EXCHANGE IS NOT
A SMALL AMOUNT OF MONEY. HENCE, THE GSL'S DISMAY AND
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 COLOMB 00741 271508Z

PUZZLEMENT, WHICH WE SHARE.

3. FROM MY PERSPECTIVE, IT SIMPLY DOES NOT MAKE HCK Y#
FOR US TO HARDEN OUR TERMS AT A TIME WHEN OUR BALANCE OF
PAYMENTS POSITION IS STRONGEST IN YEARS , WHEN SRI LANKA
REMAINS AN MSA COUNTRY IN CONTINUING ECONOMIC DISTRESS,
WHEN CONGRESS IS IMPHASIZING AID TO THE POOREST,
AND WHEN OTHER DONORS ARE LIBERALIZING THEIR TERMS. AN
ADDITIONAL QUESTION ARISES AS TO WHAT TYPE OF POLITICAL
SIGNAL WE WILL BE CONVEYING TO SRI LANKA BY IMPOSING
TOUGHER TERMS THIS YEAR.

4.I WOULD APPRECIATE IT IF YOU WOULD TAKE A PERSONAL
LOOK AT THIS PROBLEM AND, AS NECESSARY, WEIGH IN AT AN
APPROPRIATE HIGH LEVEL WITH TREASURY TO ENSURE THAT WE ADHERE
TO THE SAME TERMS WHICH HAVE BEEN IN EFFECT IN RECENT
YEARS. THE EMBASSY'S BASIC ARGUMENTATION IS CONTAINED IN
COLOMBO 599 BUT LET ME KNOW IF YOU NEED ANY OTHER
SUPPORTING INFORMATION OR ASSISTANCE FORM HERE.
VAN HOLLEN

NOTE BY OC/T: TEXT AS RECEIVED.

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: POLICIES, DEBT REPAYMENTS, PL 480 TITLE 1
Control Number: n/a
Copy: SINGLE
Draft Date: 27 FEB 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976COLOMB00741
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760074-0756
From: COLOMBO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976026/aaaaaeuc.tel
Line Count: 81
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: STADIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 18 JUN 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <18 JUN 2004 by izenbei0>; APPROVED <21 JUN 2004 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: INITIAL PAYMENT REQUIREMENT OF PL 480 TITLE I AGREEMENT
TAGS: ECON, CE
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006